

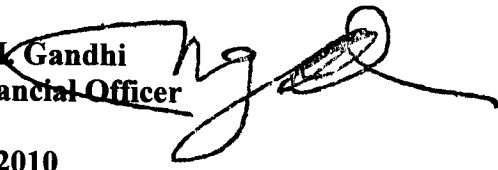
**Government of the District of Columbia
Office of the Chief Financial Officer**



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: April 20, 2010

SUBJECT: Fiscal Impact Statement – “Residential Aid Discount Subsidy
Stabilization Amendment Act of 2009”

REFERENCE: Bill 18-493

Conclusion

Funds are sufficient in the FY 2010 through FY 2013 budget and financial plan to implement the proposed legislation. The proposed legislation would have no negative impact on the District’s budget and financial plan.

Background

The proposed legislation would amend the Clean and Affordable Energy Act of 2008¹ to increase the assessment charged on sales by electric utility companies from \$0.0004 to \$0.007507 per kilowatt hour for June through September of 2010 to cover the cost of the Residential Aid Discount² (RAD) program through the end of FY 2010. This assessment goes into the Energy Assistance Trust Fund (EATF³) and is used to fund the RAD program and other existing low-income energy programs.

¹ Effective October 22, 2008 (DC Law 17-250; DC Official Code § 8-1773.01 *et seq.*)

² The RAD program offers eligible Potomac Electric Power Company (“PEPCO”) residential customers assistance in paying their electric bills.

³ The EATF is a nonlapsing, revolving fund administered by DDOE.

Beginning in October 2010, the assessment would decrease to \$0.0000607 per kilowatt hour and would continue to go to the EATF only to cover the energy company's contribution to the Low Income Home Energy Assistance Program (LIHEAP) Expansion and Energy Education program. In addition, the proposed legislation would transfer oversight of the RAD program to the Public Service Commission. Currently, the District Department of the Environment (DDOE) oversees the RAD program.

Financial Plan Impact

Funds are sufficient in the FY 2010 through FY 2013 budget and financial plan to implement the proposed legislation. Increasing the assessment to \$0.0007507 from June through September 2010 would generate an additional \$1 million that would go into the EATF and would cover the expenditures of the Residential Aid Discount program through the end of FY 2010. Starting in FY 2011, the assessment of \$0.0000607 per kilowatt hour will generate \$100,000 annually and will go to the EATF for the LIHEAP Expansion and Energy Education program.